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Medical
Area
Service
Corporation

1987
Annual Report

This year MASCO celebrates 15 years of service to the institutions of the Longwood Medical Area (LMA).

In the life of the LMA, there isn't an extremely long time. But within this period, our support has made a growing contribution to the ability of our member institutions to succeed in the highly competitive environment that has emerged over the past decade and a half.

Over the years, the scope of our services has undergone a significant metamorphosis. Our original charter was to promote, assist in the accomplishment of the purposes and objectives of, and operate for the benefit of the institutions of the Longwood Medical Area. At first we functioned as a clearinghouse for the planning and development initiatives of our founding members, bringing to all their requests a third-party perspective to these processes. We subsequently introduced programs that were specifically designed to achieve cost savings for the institutions of the LMA.

Our development has been neither arbitrary nor capricious. Rather, our programs and services reflect the changing nature of the environment to which we have pledged our commitment.

To improve the attractiveness of the LMA to new students, patients and visitors, we have implemented an on-line program, provided an area with security patrol, and a library, a distance education program and a child care center.

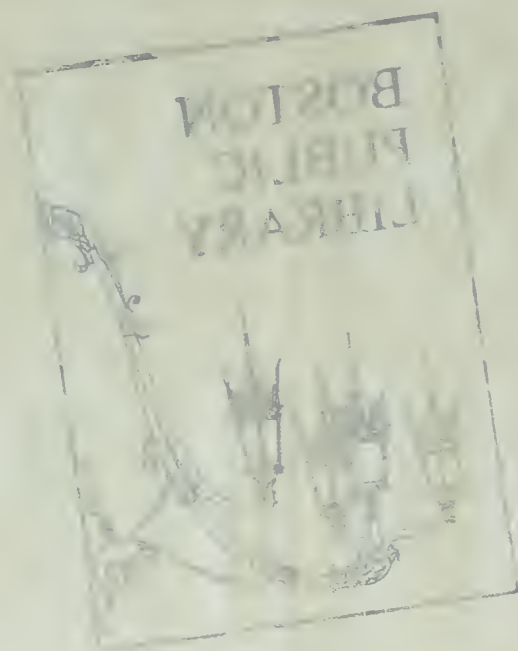
Pending and future services developed include a degree program, the management of the LMA's population. Our Shared Center for the LMA has installed a new subsystem addition of radio page and answering services to the LMA's developing telecommunications of the LMA. Group purchasing programs for such diverse items as music, oxygen, office furniture and medical isotopes have enabled members to realize cost savings at a time when institutional economies are receiving increased attention.

Our members are experiencing tremendous competitive pressure. An outgrowth of that pressure has been an increasing demand for programs and services. The challenge for us is to be sufficiently nimble and implement appropriate services to meet those needs.

During the past 15 years, we have experienced the satisfaction of many accomplishments. Our vision embraces both challenges and opportunities. This report describes the accomplishments of the past year and our plans for the year ahead.

MASCO:
Fifteen Years
Of Service
To The
Longwood
Medical Area

15



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Our development has been neither arbitrary nor capricious. Rather, our programs and services reflect the unique dynamics of the environment to which we have pledged our commitment.

To improve the attractiveness of the LMA to employees, students, patients and visitors, we have implemented an on- and off-site signage program, provided an areawide security patrol, and developed an extensive adult education program and a child care center.

Parking and transit services developed in response to, and to a great degree anticipating, the burgeoning demands of an ever-increasing LMA population. Our Shared Centrex telephone system was installed, with the subsequent addition of radio page and telephone answering services, to support the rapidly developing telecommunications needs of the LMA. Group purchasing programs for such diverse items as medical oxygen, office furniture and radioactive isotopes have enabled members to realize cost savings at a time when operational economies are receiving increased attention.

Our members are experiencing tremendous competitive pressure. An outgrowth of that pressure has been an increasing demand for programs and services. The challenge for us is to anticipate our members' needs and implement appropriate services to meet those needs.

During the past 15 years, we have experienced the satisfaction of many accomplishments. Our vision embraces both challenges and opportunities. This report describes the achievements of the past year and our plans for the year ahead.

15



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I've had a long association with the Longwood Medical Area, having served as a trustee of New England Deaconess Hospital for 23 years and as a director of the Medical Area Service Corporation for eight years. During that time, I've had an opportunity to witness the development of the LMA as a major center for the provision of healthcare and educational services.

The LMA has changed noticeably. The institutions have expanded physically to keep pace with growing demands. Employee and student populations have grown, as has the number of vehicles that these people must use to get to their offices and classrooms.

While each institution has worked diligently to minimize the impacts of its own growth on the LMA, these individual efforts have not been sufficient to address long-range concerns on an areawide basis. Given their individual resources and operational focus, I believe the institutions have done, and continue to do, their very best to accommodate their environment, but more is needed. The demand for more laboratory and office space continues. At the same time, a pleasant and secure environment for the thousands of employees, patients, students and visitors who come to the LMA daily must be maintained. If we wish to attract high-quality employees to work in our institutions, we must identify and implement a solution to the parking and transportation situation.

One readily available avenue for addressing these issues continues to be MASCO, whose charter provides for it to assist its members in maximizing their individual potentials. Because its focus is on the LMA as a whole, MASCO is particularly suited to this mission. Its business managers are able to focus on those issues which, while peripheral to the institutions' primary missions, affect them significantly. Area Planning and Development works to build consensus on planning issues and initiates open space improvements whose purpose is to lend a human scale to LMA development. MASCO's parking management and commuter shuttle services have earned recognition for the LMA as a leader in the provision of innovative solutions to transportation and parking problems. The range of MASCO's support services attests to the scope of the company's efforts on behalf of its members to provide high-quality, cost-effective programs and services.

MASCO's role as facilitator has only begun, however. New demands, resulting from constraints imposed by external forces, are beginning to tax the capabilities of the member institutions. A spirit of cooperation is required now more than ever before if we, the institutions of the Longwood Medical Area, are to successfully meet the challenges that lie ahead.



From
The Chairman
Of The Board

C. Vincent Vapfi

C. VINCENT VAPPI, *Chairman of the Board*

From The President



The financial results for the fiscal year that ended June 30, 1987, are gratifying. Though gross revenues of \$14.7 million were essentially the same as those achieved during the prior year, net revenue increased by 8.2 percent to total \$7.8 million. Total operating expenses were \$7.6 million, which was only 5.6 percent higher than those of the prior year. Our pre-tax profit of \$222,000 was \$150,000 higher than the prior year, which is consistent with our objective of generating a profit of approximately 1.5 percent on gross revenues.

We have devoted a considerable amount of time this year to articulating a statement of strategy for MASCO. The statement of purpose and mission around which our strategy will be built is as follows:

"MASCO was created to develop and deliver services that assist healthcare, educational, religious and governmental organizations in achieving their goals. MASCO's mission is to improve the accessibility and attractiveness of the Longwood Medical Area to staff, students, patients and visitors and to increase effectiveness and reduce costs for institutions. Our success will be determined by the level of satisfaction derived by our members."

The broad areas into which our services fall—Area Planning and Development, Parking and Transit Services, Support Services and Telecommunications—are designed to maximize our ability to achieve this mission.

The task of Area Planning and Development is twofold. First, the department is charged with devising and implementing programs that improve the LMA environment, focusing on physical attractiveness, public safety and

pedestrian amenities. Second, the department works with members to coordinate planning and building programs so that new projects will advance the individual and collective goals of the LMA. It will build on its base of planning and political expertise to advocate for the LMA with city and state agencies and local neighborhood groups, and will extend additional planning support to our members, particularly in areas of transportation planning and community relations.

Parking and Transit Services is charged with improving access to the Longwood Medical Area and maximizing on-site parking for patients and visitors by assisting the institutions with off-site parking facilities for their employees. The technical expertise that we have gained from establishing and operating a high-quality parking and shuttle bus system will be utilized first, to minimize the difficulties encountered when institutions require additional off-site parking, and second, to advocate strongly for improvements in public transportation to the Longwood Medical Area.

Support Services provides economic benefits to member institutions, as well as such employee and student support services as adult education, financial planning, real estate assistance, and copy and print services. We have demonstrated expertise in such areas as child care and infectious waste disposal. Our telecommunications services have grown to include radio paging and telephone answering as well as a shared Centrex system and long-distance network. Our expertise in telecommunications technology will allow us to install a fiber-optic data network in the LMA next year.

Along with the leverage we apply on behalf of institutions to achieve higher quality, better service and lower cost from third-party vendors, our base of technical knowledge is the keystone of our ability to assist our member institutions in achieving their own goals.

The balance of this report reviews some key accomplishments of the past year. Some of the projects that were described in last year's report have been brought to successful completion; several are still being pursued; and other initiatives are planned. As we enter what may be a turbulent year, particularly for the healthcare members of MASCO, our relationship with our members is strong and the level of mutual respect is high. The challenges of providing quality health care and education are greater and more complex than ever before. We look forward to continuing to assist our members as they face the many issues that derive from these challenges.



ALAN R. SHOOLMAN
President and Chief Executive Officer

Member Institutions

BRISTOL
SHEFFIELD
HOSPITAL

HEALTH
UNIVERSITY
MEDICAL SCHOOL

NEW ENGLAND
DEACONESS
HOSPITAL

THE WINDSOR
SCHOOL

JOHN DEWEY
CENTER

PROVIDENCE
HOSPITAL

BRISTOL
UNIVERSITY
SCHOOL OF
DENTISTRY

M

HEALTH
UNIVERSITY
SCHOOL OF
DENTISTRY

MASSACHUSETTS
COLLEGE OF
DENTISTRY AND
ORAL SURGERY

JOHN DEWEY
CENTER

PROVIDENCE
HOSPITAL

BRISTOL
SHEFFIELD
HOSPITAL

JOHN DEWEY
CENTER

NEW ENGLAND
DEACONESS
HOSPITAL

An Introduction To Our Services

The types of services that we have provided to our members over the years have been almost as varied as the number. We presently offer more than twenty different services, all of which have been undertaken with two goals in mind: to maximize the advantages that can be gained through cooperative effort, and to provide those services which would be impractical for a single institution to undertake effectively.

Services Provided Or Sponsored By MASCO

- *Adult Education*
- *Area Planning and Development*
- *Child Care*
- *Community Development*
- *Copy and Print*
- *Courier Services—Air and Ground*
- *Elevator Maintenance and Repair*
- *Group Purchasing*
- *Medical Area Security Patrol*
- *Park-and-Ride Service*
- *Parking Management*
- *Personal Computer Maintenance and Repair*
- *Personal Computer Sales*
- *Personal Financial Planning*
- *Real Estate Assistance*
- *Rideshare (Carpool/Vanpool)*
- *Security Management*
- *Telecommunications*
 - Shared Centrex Telephone*
 - Radio Page*
 - Telephone Answering Service*
- *Temperature-Control Repair and Maintenance*
- *Transportation Management*
- *Travel Agency*
- *Waste Management*

1987 In Review

Last year, we predicted that 1987 would be a very active year for MASCO. The amount of activity in the past 12 months exceeded even the most optimistic forecasts. The results were extremely satisfying, as we initiated many services and improved upon existing ones in response to the demands of our members. The following sections review in more depth the gains of the past year.



Area Planning and Development

The past 15 years have witnessed major growth in Area Planning and Development, as the department has become increasingly involved in both the development coordination activities of member institutions and in a large number of other projects. FY'87 was no different.

This year saw us moving closer to an agreement with Temple Israel on issues pertaining to the Temple Israel Project, a mixed-use development planned for construction by MASCO on a parcel of land leased from the Temple, adjacent to the Winsor School. We have held numerous meetings with community groups, abutters, and city agencies to solicit input during the planning and design phase of this project.

A comprehensive traffic study, the first conducted in 12 years, has been initiated by Area Planning to provide current information on the vehicular traffic situation in the Longwood Medical Area. The first stage of the study, now completed, was an inventory and analysis of existing traffic conditions. It has afforded us excellent information on employee, student and patient commuting habits; length of delays at intersections; and the number of vehicles passing through, rather than destined for, the LMA. The study's second phase involves compilation of five-year growth projections for all member institutions, who supported this effort by providing detailed demographic data about their employees and students. The third phase will utilize data gathered in phases one and two to present recommendations for measures to improve traffic flow. Among the suggestions already made are proposals to remove parking meters along certain streets, widen designated streets, and adjust timing of traffic signals at key intersections. In addition, recommendations will be made to improve transit ridership. The LMA Transportation Study, conducted in cooperation with the Boston Redevelopment Authority, the City of Boston Transportation Department and the Institutional Transportation Planning Advisory Committee (ITPAC), has received favorable comment on all fronts.

Two phases of our tree-planting program have now been completed. Since the department began its area beautification efforts several years ago, more than 100 trees, 600 shrubs and 50 benches have been installed throughout the LMA. Whether it be the installation of a pedestrian seating module, the planting of trees and shrubs as part of an overall beautification process, or both, all our member institutions have benefited in some fashion from these activities.

In a continuation of its efforts to assist member institutions in their own initiatives, Area Planning and Development published *Handicapped Access—Appendix 1* as a follow-on to its *Open Space Framework*, which was introduced in 1986. This new booklet provides general site design guidelines for the institutions to follow as they plan improvements for handicapped access.

As the only institutional representative on the City of Boston's Institutional Expansion Board, MASCO has played an active part in working with members, nonmembers, and city and community representatives to effect changes in the proposed Institutional Master Plan Amendment. As a result of MASCO's efforts, wording in the proposed amendment has been modified to better reflect the needs of institutions in the LMA and elsewhere in the city.

A new position of Transportation Planner has been added to the Area Planning and Development staff, reflecting the growing importance of transportation in the day-to-day affairs of the LMA. Besides serving as MASCO's chief liaison with the Massachusetts Bay Transportation Authority, this individual is responsible for monitoring and evaluating the impact of vehicular traffic to and through the LMA and for developing a transportation data base that will permit a more accurate analysis of traffic patterns.

MASCO's community development focus was expanded significantly during FY'87, with more active participation in government affairs. This has included regular monitoring of city and state government legislation to allow for earlier identification of issues affecting both healthcare and educational institutions in the LMA. In addition, the community development office has worked diligently to provide a forum for improved communication with neighborhood groups representing the Mission Hill, Fenway and Brookline communities.

Parking and Transit Services

The results of FY'87 in Parking and Transit Services can be characterized in two ways: expansion of successful initiatives and introduction of new elements to existing services.

In terms of expansion, we added 110 parking spaces to our off-site inventory by expanding our Wentworth parking facility and opening a new lot on Peterborough Street in the Fenway. Our parking management services grew through the addition of the 477-space garage at One Brookline Place in nearby Brookline Village, which in turn allowed us to temporarily relocate 270 on-site parkers displaced by construction projects in the LMA.

Our newly formed transportation subsidiary, MetroBus, added four vehicles to its fleet and began servicing a new 200-space parking facility for Children's Hospital employees on Beacon Street near Kenmore Square. Enhanced service on two of our parking shuttle routes has meant that the previous 10-minute schedule during the morning and evening rush-hour periods has been reduced to eight-minute intervals. MetroBus currently averages 54,000 trips per year, carrying more than 1 million passengers.



MetroBus received approval from MASCO's board of directors to purchase property for its operations and to acquire four new modified transit vehicles. A suitable property was located, but a purchase and sale agreement was canceled because of a defective title. The search will continue in 1988. A decision on the new vehicles was deferred pending investigation of alternatives, including the rebuilding of our present fleet.

As we look back over the first 15 years of MASCO's existence, we see a parking and transportation network that makes a positive contribution to the daily life of the LMA. We now provide parking for more than 1200 employee cars every day outside the LMA, significantly reducing rush-hour congestion. In addition, our parking management service offers more than 2000 on-site parking spaces, improving access for patients and visitors. That service has also successfully assisted in resolving parking crises at three major LMA institutions in the past four years.

A transportation resource has been developed in MetroBus that can serve all the needs of our LMA members and their employees, students, patients and visitors in an efficient and cost-effective manner, both today and in the future.



Support Services

MASCO traditionally has dedicated much of its energy to consumer-related services, and FY'87 has been a year of unprecedented progress in Support Services. Among those offerings which have either been consolidated or expanded are fitness and education classes, child care, travel and financial planning.

In its early stages, our Fitness and Education program was known as Fitness and Recreation, indicating the focus of the times. The emphasis today is on education, in recognition of the desire of employees for more knowledge. With courses ranging from Spanish for the Healthcare Environment to Business Communications to Advanced Car Repair, MASCO continues to provide programming to meet the interests of its constituents.

Adequate child care continues to be a critical need in the LMA, and MASCO continues working to meet the needs of working parents. Our child care operations were at 100 percent enrollment during FY'87. The child care center moved this year to new accommodations at 191-195 Park Drive, which is on the periphery of the LMA yet close enough to allow parents to walk there during their lunch hour. We have been able to expand our available spaces from 57 to 66 and expect to obtain approval for 68, the maximum allowed in our center under existing child-care regulations.

Travel planning assistance has blossomed into a highly successful venture, with excellent service provided by our partner travel agency. An anticipated move to the new Galleria will allow us to better serve a much larger market.

Financial planning services have also grown in popularity. Besides providing personal financial planning for many LMA physicians and employees, the service has now expanded to offer seminars for administrative

and physician groups on such topics as the impact of tax reform and investment portfolio analysis.

New business development initiatives in FY'87 included a packaged medical library service that enables medical librarians to purchase books at a discount and to order and process periodical subscriptions and to arrange for binding. This program greatly facilitates library management by providing a single source for these types of services.

A prime vendor relationship with a major medical products supplier for the purchase of x-ray products and film has made available high-quality service with attractive cost savings. All MASCO-affiliated healthcare providers are participating in this contract.

Telecommunications

The Telecommunications division celebrated its tenth anniversary on November 20, 1986. At the outset, only a Shared Centrex telephone service was offered to member institutions. Subsequently, in 1982, radio page and telephone answering services were added for the convenience of MASCO members and selected non-members. While Centrex telephone service is still our most significant communications offering, the radio page and telephone answering services are growing rapidly and are expected to surpass telephone service in terms of call volumes and revenues within five years.

Besides an approximate 7 percent annual growth in the existing Shared Centrex customer base, several new accounts were added to the system. With minor exceptions, all of the tenants who have moved into the new medical services building at One Brookline Place have joined our service, as have Medical East Community Health Plan and several smaller medical practices. MASCO entered into a joint venture contract with ProNet Medical Communications for the provision of radio page service. We will assume the marketing responsibilities for those institutions which are located in the Longwood Medical Area, and ProNet will sell to all other hospitals.

So that we might accommodate a larger customer base, a PIC 10,000 radio page terminal, designed specifically for the healthcare industry, has been installed at our 474 Brookline Avenue operations center.

In addition to the new radio page terminal, MASCO purchased a telephone answering service package. This new package will allow us to expand our answering service by making it available to health care providers located outside the LMA; the equipment can accommodate 5,000 accounts and will provide our users with the most convenient features available in a very efficient manner.

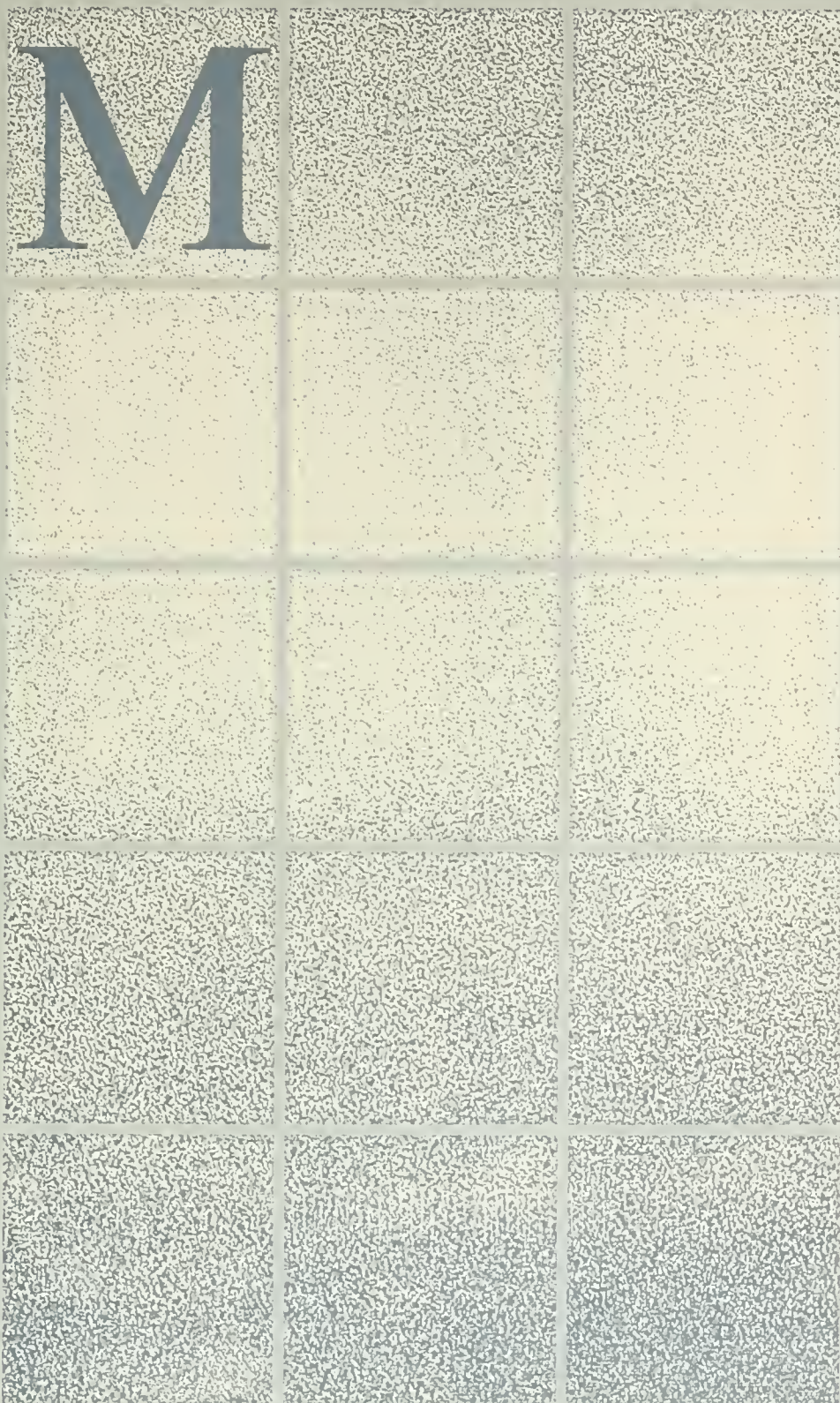
In keeping with our charter to provide MASCO members with cost-effective services, we changed our telephone repair-moves-adds-and-changes supplier from U.S. West to Laantech. We estimate that this change alone reduced telephone charges by approximately \$70,000 in FY'87.



A Look To The Future

The healthcare and educational environments are experiencing important changes and confronting major issues. As always, our efforts will focus on support to the Longwood Medical Area, its institutions and its people. We will continue to devote our energies to the preservation of an environment in which everyone will be able to maximize his or her strengths. Among our objectives are the following:

- Temple Israel Project—Continue working to obtain approvals from the Boston Redevelopment Authority and other City of Boston agencies.
- Area Signage—Begin upgrading of LMA signs to incorporate changes brought about by new development, giving consideration to the inclusion of public parking indicators to facilitate patient and visitor access to the LMA.
- Area Improvement—Identify next locations for placement of mini-parks. Plant first phase of 4,000 flower bulbs at selected sites throughout LMA as part of overall area beautification program.
- Traffic and Access Study—Distribute the three reports that constitute the LMA Transportation Study. Topics are described in report titles: Existing Transportation Conditions; Transportation Demands 1987-1992; and Action Plan for Access Improvement.
- Parking—Develop strategies for accommodation of parkers affected by Temple Israel Project construction. Determine the feasibility of developing more permanent off-site parking arrangements. Remarket the Western Avenue Park and Ride facility to improve ridership.
- Transportation—Locate a property on which to base MetroBus operations. Evaluate the need to provide connector shuttle service between Ruggles Station on the Orange Line and the LMA. Develop a five-year equipment plan to meet future transportation requirements of our members.
- Wide Area Network—Complete the approval process and install fiber cable for an interinstitutional network that will enhance productivity through cooperation.
- Cost Savings—Continue to search out new opportunities that will assist our members in achieving their missions in a cost-effective, efficient manner.
- Joint Purchasing—Continue to expand joint purchasing efforts to produce meaningful bottom-line savings and operational efficiencies for our members.
- Expand current businesses outside the LMA whenever greater economies and benefits can be derived by our members.
- Expand the healthcare customer base for telephone answering service.



Financial Overview

The following comparative financial statements reflect our financial position and our operating results for the fiscal year ended June 30, 1987. As mentioned in the President's Letter, these results were extremely gratifying. Since 1982, our accumulated earnings have increased from \$87,000 to \$800,000; the 1987 increase of \$200,000 represents the largest increase in any single year of MASCO's entire history. Operating capital increased \$431,000 to a new balance of \$1.6 million. Capital Restricted for Area Planning decreased \$359,000 to \$3.2 million, and as a result, total combined capital increased \$72,000 to a new balance of \$4.9 million.

Both current assets and liabilities decreased; however, since the decrease in assets of \$288,000 was less than the decrease in liabilities, working capital increased. Property, plant and equipment increased \$111,000; offsetting this increase was a decrease of \$382,000 in other assets due to expenditures from the Restricted Area Planning Fund. As a consequence, total assets and total liabilities decreased \$559,000 to a new balance of \$7.0 million.

Gross revenues of \$14.7 million showed little change from the previous year; however, Parking and Transit Services increased \$1.1 million due to increases at the Servicer and Longwood North parking facilities. Telecommunications decreased \$452,000 as a result of a new long-term contract with New England Telephone Company that guarantees more rate stability to the participating institutions. Support Services decreased \$584,000 as a result of new waste disposal contracts that also provide significant rate reductions to the participating institutions. The 1987 percentage breakdown is: Parking and Transit Services—38 percent, Support Services—31 percent, Telecommunications—28 percent, and Area Planning—3 percent.

Income from operations of \$261,000 increased \$195,000 as a result of increases in Parking and Transit Services—\$272,000, Telecommunications—\$26,000, and Support Services—\$7,000. These increases were partially offset by the General and Administrative increase of \$110,000. Investment income of \$45,000 decreased \$22,000. Depreciation expense pertaining to the assets contributed by the Restricted Fund was \$84,000; the end result was net income of \$222,000 before taxes and \$200,000 after taxes.

Working capital increased \$330,000, bringing the balance at year end to \$665,000. Sources of working capital totaled \$817,000, of which \$551,000 came as a result of operations and \$232,000 as a result of contributions from the Restricted Fund. The major use of working capital was the addition to property, plant and equipment of \$462,000.

Capital Restricted for Area Planning decreased \$359,000 as a result of project expenditures that were only partially offset by investment income. The major project expenditures for 1987 were: the Temple Project—\$184,000, Open Space projects, i.e., seating modules, bus shelters and tree plantings—\$174,000, Traffic and Access projects—\$59,000, Community Development projects—\$40,000, and Security projects—\$22,000.

In summary, the changes that took place during 1987 had a very positive impact on our financial position. MASCO's ability to continue to provide its member institutions a high level of support, which depends upon its remaining financially viable and strong, was enhanced by this year's results.

Consolidated Balance Sheets

June 30, 1987 and 1986

(\$ in thousands)

	<u>1987</u>	<u>1986</u>
Assets		
Current assets	\$2,649	\$2,937
Property, plant and equipment, net	964	853
Other assets	<u>3,399</u>	<u>3,781</u>
Total	<u>7,012</u>	<u>7,571</u>
Liabilities and Capital		
Current liabilities	1,984	2,602
Long-term obligations	154	167
Capital—		
Operating	1,640	1,209
Restricted for area planning	<u>3,234</u>	<u>3,593</u>
Total	<u>\$7,012</u>	<u>\$7,571</u>

Consolidated Statements of Operations

for the years ended June 30, 1987 and 1986

(\$ in thousands)

	<u>1987</u>	<u>1986</u>
Gross revenues	\$14,713	\$14,647
Less: Cost of goods and services obtained as agent for others	<u>6,886</u>	<u>7,415</u>
	7,827	7,232
Operating expenses	<u>7,566</u>	<u>7,166</u>
Income from operations	261	66
Nonoperating income and expense:		
Investment and other income	45	67
Depreciation of contributed assets	<u>(84)</u>	<u>(61)</u>
Income before income taxes	222	72
Provision for income taxes	<u>(22)</u>	<u>(13)</u>
Net income	<u>\$ 200</u>	<u>\$ 59</u>

Consolidated Statements of Changes in Financial Position
(Excluding Changes in Capital Restricted for Area Planning)
for the years ended June 30, 1987 and 1986
(\$ in thousands)

	<u>1987</u>	<u>1986</u>
Financial resources were provided by:		
From operations-		
Net income	\$200	\$ 59
Depreciation and amortization	<u>351</u>	<u>345</u>
Total working capital provided by operations	551	404
Transfer from restricted capital for additions to property, plant and equipment	232	166
Other	<u>34</u>	<u>5</u>
	<u>817</u>	<u>575</u>
Financial resources were applied to:		
Additions to property, plant and equipment, net	462	270
Reductions in long-term obligations	<u>25</u>	<u>175</u>
	<u>487</u>	<u>445</u>
 Increase in working capital	 <u>\$330</u>	 <u>\$130</u>

**Consolidated Statements of Changes in Capital
Restricted for Area Planning**
for the years ended June 30, 1987 and 1986
(\$ in thousands)

	<u>1987</u>	<u>1986</u>
Beginning balance	\$3,593	\$3,773
Investment income	203	330
Transfer for project expenditures	(248)	(272)
Transfer for capital expenditures	(232)	(166)
Net realized loss on sale of investments	<u>(82)</u>	<u>(72)</u>
Ending balance	<u>\$3,234</u>	<u>\$3,593</u>

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President, Eastco
Trustee, Brigham and Women's Hospital

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President, The Children's Hospital

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President, Young & Company
Trustee, Wheelock College

* As of December 1987

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Finance and Administration

HUGH R. JONES, Jr., Esq.
Clerk of the Corporation
Senior Partner, Hale and Dorr

LAWRENCE K. CHRISTIANSEN
Vice President, Parking and Transit Services

PETER J. WALL
Vice President, Support Services

GILBERT M. COSTA
Director, New Business Development

RICHARD M. SHEA, Jr.
Director, Area Planning and Development

CHARLES P. WALKOVICH
Director, Finance

<p>Consolidated Statements of Changes in Financial Position (Excluding Changes in Restricted for Area Planning) for the years ended June 30, 1987 and 1986</p>	<p>C. VINCENT VAPPI Chairman of the Board, MASCO Chairman of the Board and CEO Vappi & Company, Inc. Trustee, New England Desconess Hospital</p>
<p>ROBERT D. BRACE President, Investors Bank & Trust Company Member of the Corporation, The Winsor School</p>	<p>DANIEL S. CHEEVER, Ed.D. President, Wheelock College</p>
<p>SISTER JANET EISNER, SND President, Emmanuel College</p>	<p>JAMES M. FITZGIBBONS President, Amoskeag Company Trustee, Simmons College</p>
<p>M. DOZIER GARDNER President, Easton Vance Corporation Vice Chairman of the Board Dana-Farber Cancer Institute</p>	<p>ROBERT W. HOLMES, Jr., Esq.* Director, Assistant Treasurer Powers & Hall Professional Corporation Trustee, Massachusetts College of Pharmacy and Allied Health Sciences</p>
<p>WILLIAM J. HOLMES, Ph.D. President, Simmons College</p>	<p>THOMAS J. HYNES, JR. Executive Vice President, Meredith & Crew Chairman of the Board, Emmanuel College</p>
<p>LOUIS P. JEFFREY, Sc.D.* President, Massachusetts College of Pharmacy and Allied Health Sciences</p>	<p>JOHN P. LAWARE Chairman and CEO, Shawmut Corporation Chairman-Elect of the Board The Children's Hospital</p>
<p>ALAN R. SHOOLMAN President and Chief Executive Officer James F. Shortall Trustee and Vice President, Finance and Administration HUGH R. JONES, Jr., Esq. Clerk of the Corporation Senior Partner, Hale and Dorr</p>	<p>LAWRENCE K. CHRISTIANSEN Vice President, Parking and Transit Services</p>

Consolidated Statements of Changes in Capital
Restricted for Area Planning
for the years ended June 30, 1987 and 1986
(\$ in thousands)

<p>PETER J. WALL Vice President, Support Services Beginning balance</p>	<p>ALAN R. SHOOLMAN President and Chief Executive Officer Investment income</p>
<p>GILBERT M. COSTA Director, New Business Development Transfer for project expenditures</p>	<p>JAMES F. SHORTALL Trustee and Vice President, Finance and Administration</p>
<p>RICHARD M. SHEA, Jr. Director, Area Planning and Development Transfer for project expenditures</p>	<p>HUGH R. JONES, Jr., Esq. Clerk of the Corporation Senior Partner, Hale and Dorr</p>
<p>CHARLES P. WALKOVICH Director, Finance Net realized losses</p>	<p>LAWRENCE K. CHRISTIANSEN Vice President, Parking and Transit Services</p>
<p>Ending balance</p>	

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